



**City of
Norfolk**

Inter Department Correspondence Sheet

TO: Members of Council

FROM: City Clerk

COPIES TO: _____

SUBJECT: Minutes of City Council Meetings

August 23, 2013

Attached are the minutes from the City Council meeting held August 20, 2013.

R. Breckenridge Daughtrey

NORFOLK, VIRGINIA

REGULAR SESSION OF COUNCIL

TUESDAY AUGUST 20, 2013

President Fraim called the meeting to order at 2:00 p.m. with the following members present: Mr. Burfoot, Mr. Protogyrou, Mr. Smigiel, Dr. Whibley, Ms. Williams and Mr. Winn. Mr. Riddick was absent.

He then called on the City Manager to review the agenda. That being done, he called for the first item of business.

A. HOTEL/CONFERENCE CENTER UPDATE

Mr. Bruce Thompson, Developer and CEO Gold Key/PHR, reported:

- A new architectural firm has been retained to design a more efficient building. The design will be contemporary and different from anything in the region.
- A world-class conference center consultant has been retained to develop a state-of-the art facility. The company is Pomp and Hospitality.
- Hilton has been selected as the flag.
- W. M. Jordan has been selected as the general contractor and will be involved in the project from the beginning.
- Mid October design documents should be ready with groundbreaking anticipated in January 2014.

Dr. Whibley asked about the interface with community leaders. Mr. Thompson noted he is working with Ray Gindroz, has been briefed on Norfolk's history and will recreate the Decker Building on Plume Street.

Mr. Protogyrou asked how many stories? Mr. Thompson stated 22 floors.

B. CLOSED SESSION

Motion for closed session was approved for purposes which are set out in **Clause(s) 1, 3 and 7** of subsection **(A)** of **Section 2.2-3711** of the Virginia Freedom of Information Act, as amended:

- (1) Discussion of candidates for appointment to city boards, commissions and authorities.
- (3) Discussion of the acquisition of real property for public purpose in downtown and Ocean View and of the disposition of publicly held property downtown and in the Lake Wright area.
- (7) Consultation with legal counsel and briefing by staff members, consultants, or attorneys regarding one legal matter affecting schools.

Yes: Burfoot, Protogyrou, Smigiel, Whibley, Williams, Winn and Frain.

No: None.

C. WATERSIDE UPDATE

PRESENTATION

City Manager Marcus Jones provided an update on where they are with negotiations for the redevelopment of Waterside. One of the key aspects in the repositioning of Waterside was that there was no upfront cash outlay from the City. The Cordish Company will have an investment and they will be able to recoup their investment from a series of revenue sources subject to revenue sharing. The Cordish Company is willing to invest up to \$40 million in the repositioning of Waterside, which is more than the initial investment in their response to the RFP and more than the investment that was discussed in the letter of intent. The direct revenue sources to the city that will come from this particular project are real estate, business personal property, utilities, BPOL, retail sales, food and beverage, as well as admissions. Only three of those revenue sources would be subject to revenue sharing, i.e. retail sales, food and beverage and admissions. The revenue sharing is basically 70 percent over a 20-year period. The estimated payout will increase slightly from \$30.4 million to approximately \$32 million with direct revenue to the city of \$91.4 million over the next 30 years.

The Cordish Company will assume all management, operating, leasing and improvement costs. There is no upfront capital investment by the City. It shifts both the fiscal and physical requirements to the private sector. Manager Jones went on to say that this is a part of a bigger strategy in creating a centerpiece for "Virginia's Premier Urban Waterfront Park." The city will eliminate \$1.3 million General Fund subsidy to Waterside, 1,000 new jobs will be created and it establishes a catalyst for future development. The next steps will be Council approval to proceed and a public hearing scheduled for August 27th.